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**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Application of AAA Utilities, Inc. for Approval to Sell the Perry Water System to  
Saluda County Water and Sewer Authority  
**Docket Number: 2019-373-W**

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the filing submitted by AAA Utilities, Inc. ("AAA") for the sale of assets and transfer of facilities and service territory of Perry Water System ("Application") from AAA to Saluda County Water & Sewer Authority ("the Authority").

**Overview of Company's Request**

AAA owns and operates water systems in Lexington County, Richland County, and Saluda County which serves a total of 391 customers. AAA's Perry Water System is located in Saluda County and serves 33 customers. The current schedule of rates and charges was approved by the Commission in Order No. 2014-379, Docket No. 2013-47-W. Currently, Perry Water System customers pay an unmetered flat rate of \$25.00 per month.

The Authority is a special purpose district in Saluda County and is undertaking the Holley Ferry / Spann Road Phase 2 Water Project ("Project"), which will add 25 miles of water lines to the Authority's distribution system.

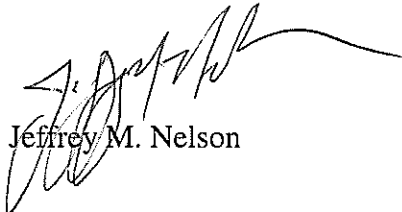
If approved, the Authority will own and operate the Perry Water System formerly owned and operated by AAA. Initially, the Authority will utilize the existing two wells and will charge customers the Authority's current base rate of \$28.35 per month, since volumes will not initially be metered. The Authority will later install individual meters for Perry Water System customers as part of the Project and will connect the customers to the Authority's distribution system, which receives treated water from the Authority's water treatment plant. Once individual meters are installed, the Perry Water System customers will pay the Authority's current volumetric charges of \$3.85 per 1,000 gallons over the 4,000 gallons included in the base rate. The Authority's Board voted not to require Perry Water System customers to pay a tap fee or any fee related to the Authority's acquisition of the water system, an additional benefit to customers resulting from this transfer.

**ORS Recommendation**

ORS reviewed the Application and issued discovery to AAA. The near-term rate impact for Perry Water System customers will be minimal and all customers should benefit from improved water quality once the water system is physically connected to the Authority's distribution system. ORS recommends approval of the sale of assets and transfer of facilities and service territory of the Perry Water System from AAA to the Authority.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Jeffrey M. Nelson

cc: All Parties of Record (via e-mail)  
Joseph Melchers, Esquire (via e-mail)